

(C5)

SL

BOARD OF DIRECTORS

Sol Armel
Donald Carr, Q.C.
William Drevnig
Albert Sherman
Jack Sherman
Mark Vansittart

OFFICERS

William Drevnig – *President*
Albert Sherman – *Vice-President and Secretary*
Sol Armel – *Vice-President and Treasurer*
Jack Sherman – *Vice-President*

TRANSFER AGENT AND REGISTRAR

The Canada Trust Company

AUDITORS

Pape, Strom, Lavine & Shulman

HEAD OFFICE

PENNINGTON'S STORES LIMITED
17 Apex Road
Toronto 390, Ontario
Telephone: 787-4973



INTERIM REPORT

for 26 weeks ended
July 4, 1970

To The Shareholders

We are pleased to report that sales for the 26 weeks ended July 4, 1970 increased 13.2% to \$3,357,000. Unaudited earnings after provision for income taxes increased 16.6% to 29.5¢ per share. The comparable period last year refers to the combined earnings of the individual predecessor companies from January 6, 1969 to the date of amalgamation, and earnings of the amalgamated company to July 5, 1969, an overall period of 26 weeks.

Despite general economic conditions, the above results demonstrate that your Company has increased its sales and profits and we

anticipate being able to maintain these increases in the next period.

Our new stores at Park Royal Shopping Centre (Vancouver), Midtown Plaza (Saskatoon), which opened July 30th, and Fairview Mall (Toronto), which opened August 5th, have shown encouraging results. New branches in Southgate Shopping Centre (Edmonton) and Garden City Shopping Centre (Winnipeg) are scheduled to open August 12th.

William Drevnig
President

August 1970

Statement of Earnings

(UNAUDITED) FOR TWENTY-SIX (26) WEEKS
ENDED JULY 4, 1970

	July 4, 1970	July 5, 1969
Sales	<u>\$3,357,000</u>	<u>\$2,965,000</u>
Earnings from operations before the following charges	<u>\$ 648,000</u>	<u>\$ 498,000</u>
Depreciation of equipment and amortization of leasehold improvements	<u>31,000</u>	<u>30,000</u>
Income Taxes	<u>322,000</u>	<u>215,000</u>
Net Earnings for the period	<u>\$ 295,000</u>	<u>\$ 253,000</u>
Net Earnings per share (1,000,000 shares outstanding)	<u>29.5¢</u>	<u>25.3¢</u>

Statement of Source and Application of Funds

(UNAUDITED) FOR TWENTY-SIX (26) WEEKS
ENDED JULY 4, 1970

Funds were provided from :

Net Earnings for the period	\$ 295,000
Add: Depreciation and amortization not requiring current outlay of funds	31,000
	<u>\$ 326,000</u>

Funds were applied to :

Acquisition of equipment and leasehold improvements	\$ 112,000
Payment of dividend	<u>100,000</u>
Increase in Working Capital	<u>\$ 114,000</u>